



Foreign Agricultural Service

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Denmark

Agricultural Situation

Scope Paper

2002

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Report Highlights:

Scope paper for Denmark. The report is an overview of the demographic/ economic characteristics of Denmark, including production, trade and policy sections.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
The Hague [NL1], DA

POLITICAL: The Capital is Copenhagen. The Government is a constitutional monarchy, broken down into three branches: the Executive, Legislative and Judicial. **Executive:** Queen Margrethe II is the titular Head of State. Anders Fogh Rasmussen is the Prime Minister and head of the government. **Legislative:** The Parliament is unicameral consisting of 179 members. Elections are held at least every four years, but the Prime Minister can dissolve the Parliament at any time and call for elections. **Judicial:** Appointed Supreme Court. The country is subdivided into 14 counties and 275 municipalities.

SOCIOECONOMIC: The population of the Denmark, is 5.4 million, with a population density of 125 people per square kilometer. Farmers constitute 1.5% of the total. About 60% of the country's land is devoted to agriculture. The Danish economy expanded by 1.5 percent last year, resulting in per capita GDP of US\$30,430. Unemployment is about 4.2 percent and inflation is moderate. Denmark's industrialized market economy depends on imported raw materials and foreign trade. Within the European Union, Denmark advocates a liberal trade policy. Its living standard is among the highest in the world. The Danes devote 0.9 percent of GDP to foreign aid.

GENERAL TRADE: Denmark derives more than two-thirds of its GDP from merchandise trade. The country enjoys a positive balance of trade estimated at about \$11 billion. There are no significant barriers to trade or investment. Its principal exports are machinery, instruments, and food products. Germany is Denmark's largest trading partner. The U.S. is Denmark's largest non-European trading partner, accounting for about 7 percent of total Danish merchandise trade. Aircraft, computers, machinery, and scientific and technical instruments are among the major U.S. exports to Denmark. Among major Danish exports to the U.S. are industrial machinery, chemical products, furniture, pharmaceuticals, and pork.

AGRICULTURAL TRADE: Denmark has a highly intensive, export-oriented agriculture. It is the world's seventh largest agricultural exporter and the number one exporter of pork. Total Danish agricultural exports, which account for 22% of total Danish exports, were \$10,897 billion in 2001. About \$540 million of agricultural products are shipped to the U.S., while farm imports from the U.S. are about \$200 million. Major Danish agricultural exports worldwide are pork (\$3.3 billion), cheese (\$904 million), furs (\$388 million), and poultry (\$198 million). The EU is the most important export destination for Danish agricultural products, accounting for 63% of the total.

AGRICULTURAL POLICY: Denmark is a strong proponent of free trade. The current AgMinister, Mariann Fisher Boel, has been an outspoken supporter of further CAP reform to assure European agricultural competitiveness. The Agricultural Council is the farm sector's representative and lobbying group. They provide their analyses and opinions on Danish and EU farm support, environmental and other issues to the Danish Ministry of Food, Agriculture and Fisheries. Danish environmental policy on livestock requires that farmers have a certain amount of land to dispose of animal waste products. Denmark requires special measures for CO2 and phosphorus reductions, minimum space for animals and showers for pigs, particularly for the summer months.